

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE ADJUSTMENT OF RATES OF)	
AUXIER ROAD GAS COMPANY, INC.)	CASE NO. 10288-GG

ORDER

On April 10, 1991, in Case Nos. 10288-D and 10288-E, the Commission approved the Gas Cost Adjustment ("GCA") Clause of Auxier Road Gas Company, Inc. ("Auxier") allowing for the quarterly adjustment of its rates.

On November 30, 1998, Auxier filed its GCA to become effective from January 1, 1999 to April 1, 1999. On December 18, 1998, Auxier filed supplemental information concerning its expected gas cost ("EGC").

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. In its revised notice of December 18, 1998, Auxier proposed rates designed to pass on its decrease in wholesale gas costs to its customers. Auxier's proposed gas cost of \$172,847 results in an EGC of \$3.0981 per Mcf, which represents a decrease of 5.22 cents per Mcf from the prior EGC.

2. Auxier's notice set out no refund adjustment.

3. Auxier's notice set out a current quarter actual adjustment ("AA") of (4.4) cents per Mcf to reconcile gas cost from July, August, and September 1998. The total AA of (2.10) cents per Mcf reflects the current over-recovery as well as under- and over-recoveries from previous quarters. The total AA represents a decrease of 4.50 cents per Mcf from the total AA previously in effect.

4. Auxier's notice set out a current quarter balance adjustment ("BA") of .20 cent per Mcf. The total BA of (2.80) cents per Mcf is composed of the current and previous quarter BAs, and represents an increase of 1.5 cents per Mcf from the total BA previously in effect.

5. These adjustments produce a gas cost recovery rate of \$3.0491 per Mcf, a decrease of 8.22 cents per Mcf from the prior rate of \$3.1313 per Mcf.

6. The rate adjustment in the Appendix to this Order is fair, just and reasonable, in the public interest, and should be approved for service rendered on and after January 1, 1999.


IT IS THEREFORE ORDERED that:


1. The rates in the Appendix to this Order are fair, just, and reasonable, and are effective for service rendered on and after January 1, 1999.

2. Within 30 days of the date of this Order, Auxier shall file with this Commission its revised tariffs setting out the rates authorized herein.

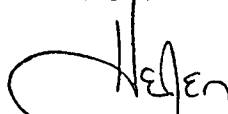
Done at Frankfort, Kentucky, this 29th day of December, 1998.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

ATTEST:


Executive Director


Commissioner

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 10288-GG DATED DECEMBER 29, 1998

The following rates and charges are prescribed for the customers served by Auxier Road Gas Company, Inc. All other rates and charges not specifically mentioned herein shall remain in effect under authority of this Commission prior to the effective date of this Order.

RATES:

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
First Mcf (Minimum Bill)	\$5.11	\$3.0491	\$8.1591
All Over 1 Mcf	4.2599	3.0491	\$7.3090